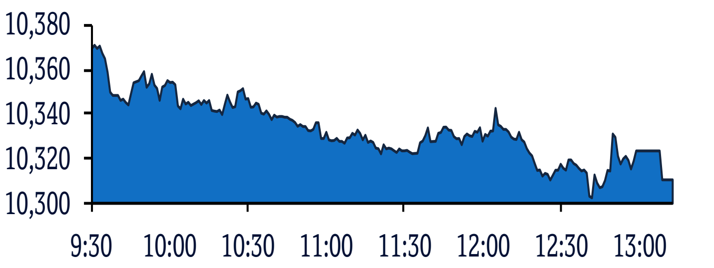
Daily Market Report

Sunday, 06 October 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.5% to close at 10,310.7. Losses were led by the Telecoms and Insurance indices, falling 1.2% and 0.9%, respectively. Top losers were Gulf International Services and Qatar General Insurance & Reinsurance Company, falling 2.8% each. Among the top gainers, Qatari German Company for Medical Devices gained 4.1%, while Medicare Group was up 3.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.8% to close at 7,921.2. Losses were led by the Media & Ent. and Materials indices, falling 4.7% and 1.4%, respectively. Saudi Research and Marketing declined 5.2%, while Sahara Int. Petro. was down 5.0%.

Dubai: The DFM Index gained 0.6% to close at 2,761.0. The Real Estate & Const. index rose 1.7%, while the Investment & Financial Services index rose 1.2%. Amlak Finance rose 14.8%, while Takaful Emarat was up 6.9%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 5,028.0. The Consumer Staples index declined 0.7%, while the Banks index fell 0.5%. Commercial Bank Int. declined 9.9%, while The Nat. Bank of Ras Al-Khaimah was down 3.0%.

Kuwait: The Kuwait All Share Index fell marginally to close at 5,635.7. The Consumer Goods index declined 3.5%, while the Oil & Gas index fell 2.3%. Al-Massaleh Real Estate declined 7.9%, while Amwal Int. Inv. Co. was down 6.3%.

Oman: The MSM 30 Index gained marginally to close at 4,026.0. The Financial index rose 0.1%, while the Industrial index gained marginally. Dhofar Cattle Feed rose 9.1%, while National Gas was up 6.0%.

Bahrain: The BHB Index fell 0.1% to close at 1,512.5. The Services index declined 0.7%, while the Hotels & Tourism index fell 0.4%. Bahrain Cinema Company declined 8.0%, while Al Salam Bank - Bahrain was down 1.1%.

Market Indicators	03 Oct 19	02 Oct 19	%Chg.
Value Traded (QR mn)	164.7	206.1	(20.1)
Exch. Market Cap. (QR mn)	571,666.0	574,573.3	(0.5)
Volume (mn)	73.4	125.8	(41.663)
Number of Transactions	5,882	7,524	(21.8)
Companies Traded	43	44	(2.3)
Market Breadth	15:22	13:25	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,972.54	(0.5)	(1.0)	4.6	14.8
All Share Index	3,042.04	(0.5)	(0.7)	(1.2)	14.8
Banks	3,993.00	(0.6)	(0.3)	4.2	13.8
Industrials	3,077.10	(0.5)	(2.8)	(4.3)	18.2
Transportation	2,617.98	(0.6)	0.7	27.1	14.3
Real Estate	1,481.05	1.5	2.4	(32.3)	10.5
Insurance	2,947.07	(0.9)	(0.8)	(2.0)	16.6
Telecoms	912.26	(1.2)	(2.6)	(7.6)	15.7
Consumer	8,593.44	0.1	(0.7)	27.3	19.0
Al Rayan Islamic Index	3,954.05	(0.1)	(1.4)	1.8	15.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	27.90	4.1	2,093.6	(18.9)
Emaar Properties	Dubai	4.50	2.3	4,582.3	9.0
Emaar Malls	Dubai	1.88	2.2	1,106.4	5.0
Co. for Cooperative Ins.	Saudi Arabia	67.50	1.8	62.9	11.9
Agility Pub. Warehousing	Kuwait	0.73	1.4	1,455.6	4.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Sahara Int. Petrochemical	Saudi Arabia	16.88	(5.0)	1,847.8	(15.4)
Saudi Cement Co.	Saudi Arabia	66.50	(3.3)	172.2	37.0
Mouwasat Med. Services	Saudi Arabia	88.00	(2.2)	22.0	9.3
Saudi Arabian Mining Co.	Saudi Arabia	43.00	(2.1)	1,661.0	(12.8)
Samba Financial Group	Saudi Arabia	27.15	(1.8)	1,482.5	(13.5)

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	0.76	4.1	8,784.1	34.3
Medicare Group	7.98	3.8	1,163.2	26.5
United Development Company	1.38	3.0	7,707.2	(6.4)
Qatar Islamic Insurance Company	6.35	2.9	527.1	18.2
Qatar Oman Investment Company	0.52	2.3	74.3	(1.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.72	(1.0)	15,767.6	(18.7)
Qatari German Co for Med. Devices	0.76	4.1	8,784.1	34.3
United Development Company	1.38	3.0	7,707.2	(6.4)
Masraf Al Rayan	3.54	(0.3)	7,584.6	(15.1)
Ezdan Holding Group	0.67	(0.6)	5,518.1	(48.7)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.71	(2.8)	890.8	0.6
Qatar General Ins. & Reins. Co.	3.50	(2.8)	9.2	(22.0)
Al Meera Consumer Goods Co.	15.32	(2.1)	119.2	3.5
Mannai Corporation	3.30	(1.8)	92.9	(39.9)
Ooredoo	7.11	(1.5)	441.0	(5.2)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Masraf Al Rayan	3.54	(0.3)	26,866.3	(15.1)
Qatar Islamic Bank	15.50	(1.4)	18,746.2	2.0
QNB Group	19.30	(0.6)	16,842.1	(1.0)
Aamal Company	0.72	(1.0)	11,431.5	(18.7)
United Development Company	1.38	3.0	10,567.2	(6.4)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,310.69	(0.5)	(1.0)	(0.5)	0.1	45.02	157,036.6	14.8	1.6	4.1
Dubai	2,761.02	0.6	(1.3)	(0.7)	9.1	23.93	99,196.2	11.6	1.0	4.5
Abu Dhabi	5,027.96	(0.1)	(0.8)	(0.6)	2.3	37.75	140,147.5	15.1	1.4	4.9
Saudi Arabia	7,921.15	(0.8)	(1.3)	(2.1)	1.2	854.30	497,742.1	19.5	1.8	3.8
Kuwait	5,635.65	(0.0)	(1.3)	(0.8)	10.9	51.99	105,273.0	14.0	1.3	3.8
Oman	4,026.02	0.0	0.3	0.2	(6.9)	58.49	17,498.5	8.2	0.8	6.8
Bahrain	1,512.55	(0.1)	(0.6)	(0.3)	13.1	2.84	23,604.5	11.3	1.0	5.2

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any)

Qatar Market Commentary

- The QE Index declined 0.5% to close at 10,310.7. The Telecoms and Insurance indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Gulf International Services and Qatar General Insurance & Reinsurance Company were the top losers, falling 2.8% each. Among the top gainers, Qatari German Company for Medical Devices gained 4.1%, while Medicare Group was up 3.8%.
- Volume of shares traded on Thursday fell by 41.7% to 73.4mn from 125.8mn on Wednesday. Further, as compared to the 30-day moving average of 103.6mn, volume for the day was 29.2% lower. Aamal Company and Qatari German Company for Medical Devices were the most active stocks, contributing 21.5% and 12.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.22%	32.81%	3,970,321.79
Qatari Institutions	33.50%	20.14%	21,995,281.49
Qatari	**68.72%**	**52.95%**	**25,965,603.28**
GCC Individuals	0.75%	0.82%	(124,219.96)
GCC Institutions	0.88%	2.77%	(3,108,543.76)
GCC	**1.63%**	**3.59%**	**(3,232,763.72)**
Non-Qatari Individuals	11.08%	11.65%	(935,845.95)
Non-Qatari Institutions	18.57%	31.81%	(21,796,993.61)
Non-Qatari	**29.65%**	**43.46%**	**(22,732,839.56)**

Source: Qatar Stock Exchange (* as a % of traded value)

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10/03	US	Department of Labor	Initial Jobless Claims	28-September	219k	215k	215k
10/03	US	Department of Labor	Continuing Claims	21-September	1,651k	1,654k	1,656k
10/03	US	Markit	Markit US Services PMI	September	50.9	50.9	50.9
10/03	US	Markit	Markit US Composite PMI	September	51	–	51
10/03	US	Institute for Supply Management	ISM Non-Manufacturing Index	September	52.6	55.0	56.4
10/03	UK	Markit	Markit/CIPS UK Services PMI	September	49.5	50.3	50.6
10/03	UK	Markit	Markit/CIPS UK Composite PMI	September	49.3	50.0	50.2
10/03	EU	Markit	Markit Eurozone Services PMI	September	51.6	52.0	52.0
10/03	EU	Markit	Markit Eurozone Composite PMI	September	50.1	50.4	50.4
10/03	EU	Eurostat	PPI MoM	August	-0.5%	-0.3%	0.1%
10/03	EU	Eurostat	PPI YoY	August	-0.8%	-0.4%	0.1%
10/03	Germany	Markit	Markit Germany Services PMI	September	51.4	52.5	52.5
10/03	Germany	Markit	Markit/BME Germany Composite PMI	September	48.5	49.1	49.1
10/04	Germany	Markit	Markit Germany Construction PMI	September	50.1	–	46.3
10/03	France	Markit	Markit France Services PMI	September	51.1	51.6	51.6
10/03	France	Markit	Markit France Composite PMI	September	50.8	51.3	51.3
10/03	Japan	Markit	Jibun Bank Japan PMI Services	September	52.8	–	52.8
10/03	Japan	Markit	Jibun Bank Japan PMI Composite	September	51.5	–	51.5
10/04	India	Markit	Markit India PMI Services	September	48.7	–	52.4
10/04	India	Markit	Markit India PMI Composite	September	49.8	–	52.6

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2019 results	No. of days remaining	Status
MCGS	Medicare Group	9-Oct-19	3	Due
QNBK	QNB Group	9-Oct-19	3	Due
GWCS	Gulf Warehousing Company	15-Oct-19	9	Due
KCBK	Al Khalij Commercial Bank	15-Oct-19	9	Due
QFLS	Qatar Fuel Company	16-Oct-19	10	Due
QIBK	Qatar Islamic Bank	16-Oct-19	10	Due
ERES	Ezdan Holding Group	17-Oct-19	11	Due
ABQK	Ahli Bank	17-Oct-19	11	Due
UDCD	United Development Company	23-Oct-19	17	Due
DHBK	Doha Bank	23-Oct-19	17	Due
SIIS	Salam International Investment Limited	24-Oct-19	18	Due
AKHI	Al Khaleej Takaful Insurance Company	27-Oct-19	21	Due

Tickers	Company Name	Date of reporting 3Q2019 results	No. of days remaining	Status
MARK	Masraf Al Rayan	27-Oct-19	21	Due
QIGD	Qatari Investors Group	27-Oct-19	21	Due
DOHI	Doha Insurance Group	29-Oct-19	23	Due
ORDS	Ooredoo	29-Oct-19	23	Due
QIMD	Qatar Industrial Manufacturing Company	30-Oct-19	24	Due

Source: QSE

News

Qatar

- **CBQK to disclose 3Q2019 financial statements on October 22 –** The Commercial Bank (CBQK) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 22, 2019. (QSE)
- **QIIK to disclose 3Q2019 financial statements on October 24 –** Qatar International Islamic Bank (QIIK) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 24, 2019. (QSE)
- **QATI to hold its EGM on October 22 –** Qatar Insurance Company's (QATI) board of directors' invited its shareholder to attend the Extraordinary General Assembly Meeting (EGM), which will be held on October 22, 2019 and in the absence of the quorum, the second meeting will be held on October 29, 2019. (Gulf-Times.com)
- **PPP law likely to be issued by year-end –** Qatar's much awaited public private partnership (PPP) law, which is expected to accelerate the country's massive infrastructure development and provide greater support to the private sector and foreign investors will be issued before the year-end, a prominent legal expert has said. A draft PPP law was already approved by the Cabinet in April, and is currently in the final stages of discussion. "There have been around two drafts which have circulated. I think before the end of this year, the new PPP law will be issued," Minas Khatchadourian, Principal Legal Counsel at the Qatar International Center for Conciliation and Arbitration (QICCA) said during a seminar organized by the Ministry of Commerce and Industry (MoCI) in Doha recently. Khatchadourian added that both the public and private sectors will benefit greatly from the new PPP law, which will also pave the way for the launch of several investment projects in Qatar. "So we may find new roads being built under PPP, as well as hospitals, schools, hotels, tunnels, telecommunication projects, real estate developments, and others. All these can be made under PPP," he added. (Peninsula Qatar)
- **'Invest in Qatar' attracts huge response from foreign investors –** The 'Invest in Qatar' center at the Ministry of Commerce and Industry (MoCI) is seeing a growing number of applications from foreign investors, especially after the recent issuance of the Law No. 1 of 2019, which regulates the investment of non-Qatari capital in the country's economic activity, according to an MoCI official. The new non-Qatari capital investment law, which was issued in January, seeks to position Qatar as an attractive destination for foreign investments and support national efforts to promote the country as both an investment hub and a key platform for businesses seeking to expand into foreign markets. With attractive benefits in place, a growing number of investors from various countries have already shown their interests to take part in the country's growing economic activities, Hamad Al Abdan, Director of Business Development and Investment Promotion Department at MoCI said on the sidelines of a seminar on 'Investment Prospects in Qatar: Opportunities and Challenges' which was organized by the MoCI. (Peninsula Qatar)
- **Cityscape Qatar conference to feature overview of state's real estate market –** Delegates to the invite-only Cityscape Qatar Conference, which will run at the Doha Exhibition and Convention Center on October 22, will get a multi-sector overview of the country's real estate market and expert insights into the gross yields within its residential sector, according to the organizers. The overview and insights will be delivered by ValuStrat General Manager Pawel Banach and Senior Market Research Analyst Anum Hasan. The two will present a comprehensive overview of the current market covering the entire property spectrum, including residential, commercial, office, retail, hospitality, and industrial. They will then drill down into gross yields within the residential sector and examine the issue of leasing versus buying apartments in the context of The Pearl-Qatar and Lusail. Banach said the Qatari market is now benefitting from pro-active public sector initiatives, including the recently-released freehold zones law, which increased the number of freehold zones, allowed non-Qataris to own freehold property, and enabled 100% foreign ownership, and 100% repatriation of profits across all sectors. (Gulf-Times.com)
- **Qatar to host sixth Gas Summit of GECF in 2021, says Al-Kaabi –** Qatar will host the sixth Gas Summit of the Gas Exporting Countries Forum (GECF) in 2021, offering an opportunity for dialogue at the highest levels on the latest developments and trends related to the global gas industry. The announcement was made during the conclusion of the 21st GECF ministerial meeting in Moscow. This will be the second summit to be held in Doha after the forum's first summit on November 15, 2011. "We look forward to a highly successful meeting that reflects our deep belief in dialogue and co-operation in the effort to meet the world's growing demand for energy," HE Saad bin Sherida Al-Kaabi, Minister of State for Energy Affairs, the President and CEO of Qatar Petroleum said. (Gulf-Times.com)
- **Qatar stresses role of natural gas in meeting economic and environmental challenges –** Qatar has stressed the importance of natural gas in meeting the economic and environmental challenges facing energy consumers around the world. Many countries around the world are searching for the right balance of reliable and secure sources of energy, which can drive their growth, while addressing environmental concerns at the same time, HE the Minister of State for Energy Affairs Saad bin Sherida Al-Kaabi told the 21st ministerial meeting of the Gas Exporting Countries Forum (GECF). He stressed on Qatar's

commitment to ensuring the continued availability of reliable LNG (Liquefied Natural Gas) supplies to world markets, and to promoting greater growth in the LNG industry, as well as to serving the growing needs of its clients. "We all have the same objective: To place natural gas at the heart of the energy industry as a fuel of the future to affirm our true belief that natural gas is a cornerstone in the energy transition and a destination fuel, not merely a transition fuel," he said. (Gulf-Times.com)

- **Strong economy driving more South Korean companies to Qatar –** Qatar's robust and resilient economy has continued to attract a wide range of South Korean companies that want to explore the nation's diverse investment markets, according to an official of the newly-established Korea Business Council – Qatar. Founding Chairman Dae Ho Kim, who has been facilitating network exchange between Qatari and South Korean companies, SMEs, and startups since 2016, said the June 2017 economic blockade against Qatar has failed to stop the economic growth of the country. "We always look at sharing knowledge, experiences, and best practices. For companies that visited Qatar, they now want to experience the Qatari market. I started this before the economic blockade, and we still kept coming here even after blockade and we have started seeing the changes happening across the Qatari economic and business landscape. We saw a lot of potential and investment opportunities. Qatar did not give in to the blockade and the government continued to drive the market; it was looking for champions to make Qatar proud and stand out in the region," Kim said. (Gulf-Times.com)
- **Qatar Chamber reviews enhancing cooperation with Turkish private sector –** Qatar Chamber's (QC) Second Vice-Chairman Rashid bin Hamad Al Athba met a Turkish delegation comprising of 13 businessmen representing various sectors including infrastructure, tourism, agriculture, industry, education, logistics and food security. The delegation was led by the Former Turkish Minister of Agriculture and Livestock Faruk Celik. QC's board of director Mohamed bin Ahmed Al Obaidli also attended the event. The meeting discussed cooperation relations between both countries and ways of enhancing relations between the private sectors as well as exploring investment opportunities available in both sides. Al Athba said that Qatar and Turkey enjoy strong and developed cooperation relations covering all aspects. He noted that the Qatari private sector highly welcomes enhancing its cooperation with Turkish companies, especially because Turkish companies have proven a good reputation for their high quality products in the Qatari market. (Peninsula Qatar)

International

- **US unemployment falls to 50-year low of 3.5% in September –** The US unemployment rate dropped to near a 50-year low of 3.5% in September, with job growth increasing moderately, suggesting the slowing economy could avoid a recession for now despite trade tensions that are hammering manufacturing. The Labor Department's closely watched monthly employment report, however, contained reminders that the risks to the longest economic expansion on record remained tilted to the downside. Wage growth stagnated and manufacturing payrolls declined for the first time in six months. The retail and utilities sectors also continued to shed jobs. The two-tenths of a percentage point drop in the unemployment rate from 3.7% in August pushed it to its lowest level since December 1969. The jobless rate, which had been stuck at 3.7% for three straight months, declined even as 117,000 people entered the labor force last month. Nonfarm payrolls increased by 136,000 jobs last month, the government's survey of establishments showed. The economy created 45,000 more jobs in July and August than previously estimated. Economists polled by Reuters had forecast payrolls would increase by 145,000 jobs in September. September's job gains were below the monthly average of 161,000 this year, but still above the roughly 100,000 needed each month to keep up with growth in the working-age population. The smaller household survey from which the unemployment rate is derived showed a jump of 391,000 in employment in September. (Reuters)
- **US recession risks up as services growth hits three-year low –** The US services sector activity slowed to a three-year low in September amid rising concerns about tariffs, suggesting that trade tensions were spilling over to the broader economy. The ISM stated its non-manufacturing activity index fell to a reading of 52.6 in September, the lowest since August 2016, from 56.4 in August. A reading above 50 indicates expansion in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecasted the index falling to 55.1 in September. September's drop in services sector activity reflected declines in measures of production and new orders, which tumbled 6.6 points to a reading of 53.7, a three-year low. But order backlogs increased as did new bookings for exports, offering hope that activity in the sector could rebound. (Reuters)
- **Kemp: US manufacturing slowdown spreads to services –** The US economy faces the greatest risk of outright recession for a decade as the slowdown spreads from manufacturing to the much larger and more stable service sector. Most indicators show manufacturing has already started to shrink with purchasing managers' surveys and new orders pointing to a decline in activity levels in recent months. The Institute for Supply Management's Composite Purchasing Managers' Index for manufacturing fell last month to its lowest level since the last recession in 2009. New orders have slowed from growth of more than 8% at the same point in 2018 and are now falling for the first time since 2015-16. Service sector output and employment tend to be much less cyclical and volatile than in manufacturing. The increasing dominance of services in the economy is one of the main reasons fluctuations in the business cycle have become much less extreme since 1945. Expansions have generally become longer, while recessions have become less frequent and shorter with the notable exception of the post-financial crisis recession of 2008-09. The service sector has added more inertia to the economic system, dampening short-term movements like a fly-wheel or the ballast on a ship. Nevertheless, changes in services output and employment tend to follow the manufacturing sector, albeit with a delay and at a smaller magnitude. The ISM's non-manufacturing survey, which covers service providers as well as construction and real estate firms, fell sharply in September to its lowest level since August 2016 and before that July 2012. Services growth is decelerating as expected given the slowdown in manufacturing,

in line with the historical relationship between the two indicators over the last 20 years. (Reuters)

- **US trade gap with China shrinks to $28.9bn in August –** The US's merchandise trade deficit with China narrowed in August as exports rose to a five-month high, a possible sign of goodwill from the Asian nation as the countries try to resolve their trade war. The goods-trade gap with China shrank to a seasonally adjusted $28.9bn from $29.6bn a month earlier, according to data released by the Commerce Department. Exports increased to $10bn, while imports declined slightly to $38.9bn. The overall US deficit in goods and services trade widened to $54.9bn in August, more than expected. The bigger overall gap reflects a rise in imports, particularly consumer goods including mobile phones, which could result from President Donald Trump's August 1 announcement of a 10% tariff on a further $300bn in Chinese imports. Overall imports of consumer goods were a record $57.2bn in August. The trade war with China, and the uncertainty that surrounds it, have disrupted companies' supply chains, increased input costs and delayed investments in hiring and investment. (Gulf-Times.com)
- **QNB Group: US-China trade war is a significant headwind for global GDP growth –** The US-China is just an act in the story of global competition for economic influence. The big picture is of shifting tides in geo-strategic politics from cold war (1950-90), to US dominance (1990-2010), to multipolar world (from 2010), QNB Group stated in its latest report, which reviews the impact of the trade war on the US, China, Europe, and the rest of the world before drawing conclusions. The US economy has, so far, been relatively insulated from the negative effects of the trade war by the tailwind of Trump's tax cuts. However, the stimulus from the tax cuts has faded, while the Federal Reserve's interest rate hikes during 2018 and the escalating trade war since late 2018 are beginning to drag on the economy. "Going forward the drag on US GDP growth will increase: the longer tariffs are in place; the higher their level; and the more they target consumer good directly. However, with Presidential elections next year and all likely candidates supporting acting tough with China over its trade practices, we are most likely stuck with the current tariffs or further escalation for the foreseeable future. Indeed, the trade war has already forced the Fed to start cutting interest rates, and despite its resistance, will force the Fed to lower interest rates further in late 2019 and into 2020," QNB Group stated. (Gulf-Times.com)
- **BCC: UK business morale slides, especially in manufacturing –** British business activity wilted in the third quarter, especially in manufacturing, according to a survey on Friday that boded poorly for the country's economy in late 2019 as it faces the Brexit crisis and a global slowdown. The British Chambers of Commerce's (BCC) survey of 6,600 companies showed domestic manufacturing sales fell at the fastest pace since late 2011. Growth in the much larger services sector also slowed. Overall, the survey chimed with other signs of a sharp deterioration in business confidence in Britain as the October 31 Brexit deadline nears with little clarity on how or if the country will leave the European Union. The BCC survey also pointed to the biggest drop in manufacturing export orders in 10 years. (Reuters)
- **Eurozone's business growth stalled in September –** Eurozone's business growth stalled in September as an ongoing contraction in manufacturing activity is increasingly affecting the services industry, according to a survey which showed little chance of an improvement this month. The results will make disappointing reading for policymakers at the European Central Bank who pledged last month to provide indefinite stimulus to revive the 19-country currency bloc's ailing economy. IHS Markit's September Eurozone Composite Final Purchasing Managers' Index (PMI), considered a good indicator of overall economic health, sank to 50.1 from August's 51.9. That was below a preliminary reading of 50.4 and barely above the 50 mark separating growth from contraction. (Reuters)
- **Eurozone's producer prices fall more than expected in August –** Eurozone's producer prices fell more than expected in August because of a sharp drop in energy prices, data showed, and signaling weakening inflationary pressures in a slowing Eurozone's economy. The European Union's statistics office Eurostat stated prices at factory gates in the 19 countries sharing the euro fell 0.5% MoM in August for a 0.8% YoY decline. Economists polled by Reuters had expected only a 0.3% monthly and a 0.5% annual fall. The decline is a result of a 1.9% monthly and a 4.9% YoY drop in energy prices. Without the volatile energy component producer prices were flat MoM and rose 0.5% YoY, Eurostat stated. Industrial producer prices signal inflationary pressure early in the pipeline because unless their change is absorbed by intermediaries and retailers, it is transmitted to the final consumer, impacting consumer inflation. (Reuters)
- **German services lose momentum, leaving private sector in contraction –** Germany's services sector sharply lost momentum in September as new business fell for the first time since late 2014, a survey showed, fuelling fears that a manufacturing crisis is spilling over to other parts of Europe's largest economy. IHS Markit's final services Purchasing Managers' Index (PMI) dropped to 51.4 from 54.8 in August. It was the lowest reading in three years and came in weaker than the first estimate of 52.5. German services providers continued to hire new staff, however, with employment growth still surpassing the long-run average of the survey, according to IHS Markit. IHS Markit's flash composite PMI, which tracks the manufacturing and services sectors that together account for more than two-thirds of the economy, has fell to 48.5 in September from 51.7 in the previous month. (Reuters)
- **Reuters Poll: Japan's August machinery orders set to fall for second straight month –** Japan's core machinery orders are expected to have fallen for a second straight month in August, a Reuters poll showed on Friday, suggesting weak global demand might force firms to slash investment - one of the few bright spots in a slowing economy. Core machinery orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine month, likely fell 2.5% in August from the previous month, the poll of 17 economists showed. In July, orders contracted 6.6%. From a year earlier, core orders, which exclude those for ships and electric utilities, are forecast to have dropped 10.8% last month after it rose 0.3% in July. (Reuters)
- **India's services sector contracts in September on weak demand –** India's dominant services sector slipped into contraction in September as new business orders fell for the first time since early 2018, according to a private survey which also found

business optimism at its lowest in two-and-a-half years. Friday's survey adds to the deepening gloom around businesses and consumers, underlining the broadening cracks in the economy as growth slipped to six-year low in the April-June quarter. The IHS Markit Services Purchasing Managers' Index fell to a 19-month low of 48.7 in September from 52.4 in August. The weak manufacturing and dismal services sector activity dragged down the composite PMI to just below the 50-mark for first time since February 2018. (Reuters)

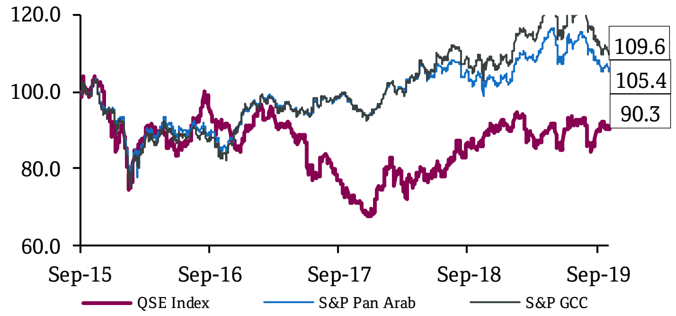
Regional

- **OPEC, GECF sign MoU to strengthen cooperation –** The Secretaries General of the OPEC and the Doha-headquarted Gas Exporting Countries Forum (GECF) signed a Memorandum of Understanding (MoU) to strengthen cooperation in research and the sharing of best practices. OPEC's Secretary General, Mohammad Barkindo and his GECF counterpart, Yury Sentyurin, signed the MoU on the sidelines of the Russian Energy Week forum in Moscow. "We look forward to utilize the framework we signed in our MoU to deepen discussions, as well as undertake joint work and actions, in the interest of our members, entire industry, and the global economy", Barkindo said at the signing ceremony. "It is the mainstream consensus that oil and gas together will continue to be the fuel of choice for the foreseeable future. In fact, most projections validate that oil and gas will continue to dominate energy basket." Barkindo echoed the remarks of Sentyurin that the signing ceremony is a milestone in the evolving productive relationship between OPEC and GCEF that started two years ago. The purpose of the MoU is to establish and strengthen cooperation in order to carry out activities and share experiences, views, information and best practices in areas of mutual interest. (Peninsula Qatar)
- **OPEC members prepared to make deeper production cuts if needed, says Nigeria –** Nigeria and other members of OPEC are ready to cut crude supplies further if prices continue to tumble, according to the country's oil minister. "Everybody agrees in OPEC that we need to stabilize the market. We cannot allow prices just to plummet," Nigerian Minister of State for Petroleum Resources, Timipre Sylva said. The country is committed to complying fully with its new production quota of 1.774mn bpd, having over-produced in August. "We will cut down in September" and will fully comply this month, the Minister said. Nigeria is currently pumping 1.69mn barrels a day amid a pipeline outage. The OPEC+, are due to meet in Vienna in early December. Their current agreement for production cuts totaling 1.2mn bpd expires at the end of March. Nigeria will discuss with OPEC whether output from its new Egina field, which came online earlier this year and pumps 200,000 bpd, is considered crude oil – therefore contributing to its OPEC target – or condensate, and thus exempt. (Gulf-Times.com)
- **PMI: Saudi Arabia's private sector employment growth at 18-month high in September –** Growth in Saudi Arabia's non-oil private sector increased in September at the fastest rate for three months, as output increased and employment growth reached an 18-month high, a survey showed. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 57.3 in September from 57.0 in August. Any reading above the 50 mark indicates expansion. Growth has picked up this year after flagging in 2018 because of increases in fuel prices and the introduction of a 5% value-added tax (VAT). The PMI averaged 56.9 from January till September, against a 53.6 average for the same period last year. "Output among non-oil private sector firms in Saudi Arabia grew at a sharp pace in September, with the rate of expansion quickening to the fastest since December 2017," Principal Economist at survey compiler IHS Markit, Amritpal Virdee said. "At current levels, the PMI survey is consistent with year-on-year GDP growth of around 3% as we head into the final quarter of 2019," he said. (Reuters)
- **SoftBank's plans for second mega-fund hit by WeWork debacle –** SoftBank Group Founder and CEO, Masayoshi Son is struggling to raise money for a second massive technology investment fund in the wake of the failed public offering of office-rental company WeWork and sliding valuations of other major investments, according to sources. He is still determined to go ahead with Vision Fund 2 even though some lieutenants have urged a delay, the sources of SoftBank's internal discussions told Reuters. However, it is likely to be far smaller, at least at the outset, than the $108bn that SoftBank stated it had lined up when it announced the fund in July, the sources added. Major investors have yet to sign on, leaving a $38bn pledge from publicly traded SoftBank Group itself as the only large commitment, according to the sources. And the size of that pledge may itself be in doubt given some of the recent investment setbacks it has suffered and the lack of available cash on its balance sheet, according to a Reuters analysis. Vision Fund and SoftBank Group declined to comment on the progress of Vision Fund 2. (Reuters)
- **Saudi Arabia restores full oil output after attacks, focused on Saudi Aramco IPO –** Saudi Arabia has fully restored oil output after attacks on its facilities last month and is now focused on the listing of state oil giant Saudi Aramco, its Energy Minister, Prince Abdulaziz bin Salman said. The Kingdom's crude oil production capacity is now 11.3mn bpd, he said, adding that the attacks, which halved the crude output of the world's top exporter, were an attempt to ruin Saudi Arabia's reputation as "a reliable, secure and dependable oil supplier". "We all rose to the challenge," he told a Moscow energy conference. Saudi Arabia has managed to maintain supplies to customers at levels before the attacks by drawing from its huge oil inventories and offering other crude grades from other fields, Saudi officials have said. One of the challenges for the Kingdom now was the listing of Saudi Aramco, a centerpiece of Saudi Arabia's plans to reform its economy and diversify away from oil, he added. "We want to make sure that it is the most successful IPO," he said, adding that the Kingdom is working on diversifying its energy resources and adding both renewable and nuclear power. (Reuters)
- **Saudi Aramco seeks to refinance $2.2bn of total JV debt –** Saudi Aramco is in talks with banks to refinance $2.2bn of debt held by its joint venture (JV) with Total, according to sources. The state-owned oil producer is seeking to cut the borrowing cost on the loans that were used to build the SATORP refinery, the sources said. The facility converts fossil fuels into building blocks for plastics. The debt is held by international and local lenders in Dollars and Saudi Riyals, the sources said. Sumitomo

Mitsui Banking Corp. and Riyad Bank are advising on the talks, they added. (Bloomberg)

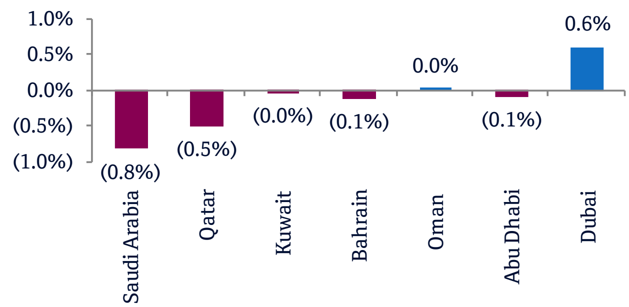
- **CMA approves the capital increase request for AXA Cooperative Insurance Company through the issuance of bonus shares –** The CMA has issued its resolution approving AXA Cooperative Insurance Company request to increase its capital from SR450,000,000 to SR500,000,000 through issuing (a) bonus share for every 9 existing shares owned by the shareholders who are registered in the shareholders registry at the Security Depository Center as of the closing of the second trading day after the due date which will be determined later by the company's board, such increase will be paid by transferring an amount of SR50,000,000 from the retained earnings account to the company's capital. Consequently, increasing the company's outstanding shares from 45,000,000 shares to 50,000,000 shares, by an increase of 5,000,000 shares. The extraordinary general assembly shall be held within six months from this approval date and the company shall satisfy all regulatory requirements and applicable laws. (Tadawul)
- **PMI: UAE's private sector growth falls to nine-year low –** Growth in the UAE's non-oil private sector slowed to a nine-year low in September, amid record low new orders reflecting soft demand, a survey showed. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, fell slightly to 51.1, from 51.6 in August. Although the non-oil sector remained in growth territory — figures above 50 indicate expansion and below that, contraction, it was the UAE's weakest growth rate since May 2010. New orders were at the softest they have been since the survey began more than 10 years ago, demonstrating weak demand in the country's non-oil economy. Although it picked up from last month, output remained near a six-year low. Employment growth was positive however, weak, with most firms keeping employment unchanged following a contraction last month. (Reuters)
- **EU to keep US islands on tax blacklist, drop UAE and Switzerland –** European Union finance ministers are set to remove the UAE and Switzerland next week from the bloc's lists of countries deemed to be acting as tax havens, an EU document stated. They will, however, continue to blacklist three US territories. The 28-nation EU set up a blacklist and a grey list of tax havens in December 2017 after revelations of widespread avoidance schemes used by corporations and wealthy individuals to lower their tax bills. The lists are regularly reviewed to take account of overhauls or to add new jurisdictions. At a meeting on October 10, the bloc's finance ministers are expected to drop UAE from the blacklist, which includes jurisdictions that have failed to cooperate with the EU on tax matters. The Pacific archipelago of the Marshall Islands will also be removed from that list, an EU document stated. (Reuters)
- **Dubai's first-half non-oil foreign trade increases 5% –** Dubai's non-oil foreign trade rose 5% to AED676bn in the first six months of 2019, compared to the same period a year earlier, according to a statement from the Dubai media office. Exports climbed 17% to AED76bn and imports increased 4% to AED390bn. China was Dubai's biggest trading partner, followed by India and the US. (Bloomberg)
- **Emirates NBD said to plan 5% cost reduction in sluggish economy –** Emirates NBD plans to cut costs by 5% next year as Dubai's biggest bank grapples with sluggish growth, sources said. The target is similar to this year's objective, sources said. The process may lead to more than 100 jobs losses, including some senior roles, they said. The bank employs more than 12,000 people. (Bloomberg)
- **ADNOC said to kick off $5bn gas pipeline lease deal –** Abu Dhabi's government-owned energy giant has kicked off the potential sale of a stake in its natural gas pipelines, in a deal that could fetch about $5bn, sources said. Abu Dhabi National Oil Co. (ADNOC), producer of about a tenth of OPEC's oil, is seeking to bring in outside investors to take a minority interest in the gas pipeline network, according to the sources. It has started a formal process and sent information on the assets to potential bidders, the sources said. The sale is likely to draw interest from infrastructure funds and private equity firms, the sources added. ADNOC, as the company is known, aims to reach an agreement in the first half of next year, the sources said. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,504.75	(0.0)	0.5	17.3
Silver/Ounce	17.56	(0.0)	0.1	13.3
Crude Oil (Brent)/Barrel (FM Future)	58.37	1.1	(5.7)	8.5
Crude Oil (WTI)/Barrel (FM Future)	52.81	0.7	(5.5)	16.3
Natural Gas (Henry Hub)/MMBtu	2.25	(2.6)	(6.6)	(29.4)
LPG Propane (Arab Gulf)/Ton	45.00	4.0	(3.0)	(29.1)
LPG Butane (Arab Gulf)/Ton	57.00	3.6	5.6	(18.6)
Euro	1.10	0.1	0.4	(4.3)
Yen	106.94	0.0	(0.9)	(2.5)
GBP	1.23	(0.0)	0.3	(3.3)
CHF	1.00	0.3	(0.5)	(1.4)
AUD	0.68	0.4	0.1	(3.9)
USD Index	98.81	(0.1)	(0.3)	2.7
RUB	64.63	(0.8)	(0.1)	(7.3)
BRL	0.25	0.6	2.5	(4.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,153.82	1.1	(1.0)	14.3
DJ Industrial	26,573.72	1.4	(0.9)	13.9
S&P 500	2,952.01	1.4	(0.3)	17.8
NASDAQ 100	7,982.47	1.4	0.5	20.3
STOXX 600	380.22	0.7	(2.6)	8.0
DAX	12,012.81	1.0	(2.6)	9.2
FTSE 100	7,155.38	0.7	(3.5)	2.9
CAC 40	5,488.32	0.9	(2.3)	11.3
Nikkei	21,410.20	0.3	(1.2)	10.5
MSCI EM	996.58	0.4	(0.5)	3.2
SHANGHAI SE Composite#	2,905.19	0.0	(1.3)	12.1
HANG SENG	25,821.03	(1.1)	(0.6)	(0.2)
BSE SENSEX	37,673.31	(0.9)	(3.2)	2.8
Bovespa	102,551.30	1.6	(0.0)	11.2
RTS	1,311.65	0.4	(2.7)	22.7

Source: Bloomberg (*$ adjusted returns, #Market was closed on October 04, 2019)

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